



# TradeSource



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## Going Global in a Digital Economy

Welcome to the January 2017 edition of the *TradeSource*. This edition will feature informative highlights, export initiatives, and regulatory updates that will add value to your global business strategies. Several tools are available for increasing export awareness and harnessing best practices for achieving compliance.

In Section One, learn more about the U.S. Census Bureau's outreach efforts on the Automated Export System and their commitment to improving data accessibility to users with free access to economic and demographic data via the Application Programming Interface.

In Section Two, several government agencies highlight key programs, resources, and initiatives to help businesses take advantage of export opportunities in today's growing digital economy. Government experts will provide dedicated resources, global infrastructure opportunities, and navigation through twenty-first century trade barriers. In addition, you will learn the latest updates on the development of the electronic manifest and other agency initiatives. You will receive guidance on how to effectively navigate in a digital economy.

# Export Compliance Tips 101

By Shannon Barley, Survey Statistician, U.S. Census Bureau

We all want to follow the rules, right? This article is going to help you stay between the lines in order for you to remain compliant with the Foreign Trade Regulations (FTR) when you are exporting your goods from the United States. Below are several tips to help you on your exporting journey.

If you have ever participated in any of the many seminars and Webinars the International Trade Management Division (ITMD) presents, chances are, you have heard one of the speakers say, "DOCUMENT, DOCUMENT, DOCUMENT!" In Section 30.10 of the FTR, it states that all parties to the export transaction are responsible for maintaining documents pertaining to the export shipment for 5 years from the date of export. You can maintain the export documents electronically or in paper form.

It is also important that you perform internal audits to stay on top of your exports. There are two ways that you may access Electronic Export Information (EEI) submitted to the Automated Export System (AES). The first way is via your Automated Commercial Environment (ACE) Export Reports. This access is free. Theresa Gordon wrote a great blog about the different types of Export Reports. Instructions for accessing these reports are available [here](#). The second way that you can obtain your EEI is to submit a data request directly to the U.S. Census Bureau. Through this process, companies are able to receive 12 months of their filed EEI every 365 days free of charge.

When you are performing your internal audits, you may wonder what you need to do if you find any mistake or if you failed to file the EEI. You are required to make corrections as soon as they are known, as stated in Section 30.9 of the FTR. In addition, if appropriate, you may want to submit a Voluntary Self-Disclosure to the Census Bureau detailing what led to the mistake. Take advantage of the various training opportunities offered by the ITMD to help avoid future violations.

Lastly, in order to stay compliant with the FTR, it is ideal to have a sound understanding of the FTR. The Census Bureau has developed several resources for the trade community to utilize. We offer free Webinars on topics, such as filing requirements, how to use ACE, types of export transactions, and much more. Any previously recorded Webinar is accessible on our outreach page. Our Web site contains several other resources, such as our FAQs. These FAQs, along with the Export Compliance Flipper, are great tools to have on hand for both new and experienced employees. After reading through this, I hope you found these tips helpful and your company stays in compliance with export regulations.

For more information, visit our Web site or call the ITMD at 800-549-0595, option 3 for Regulations or option 5 for Outreach. You can also e-mail Regulations at [itmd.askregs@census.gov](mailto:itmd.askregs@census.gov), or Outreach at [itmd.outreach@census.gov](mailto:itmd.outreach@census.gov).



# Upcoming Automated Export System (AES) Compliance Seminars in 2017

*By Nidaal Jubran, Supervisory Survey Statistician, U.S. Census Bureau*

We are happy to announce the 2017 AES Compliance Seminar schedule!

We are holding our seminars in multiple locations across the country, including at least one seminar in San Juan. The seminars will feature presenters from the U.S. Census Bureau, Bureau of Industry and Security, and U.S. Customs and Border Protection. We are conducting four seminars in Spanish for 2017.

AES Compliance Seminars include:

- Filing requirements of the Foreign Trade Regulations.
- How to classify your commodities by providing an understanding of the Schedule B classification requirements.
- Detailed overview of the AES.
- Export Control Requirements.
- How to avoid common penalties and seizure of cargo.

Please see the locations and dates below:

Houston, TX	January 18	Tampa Bay, FL	May 23
San Diego, CA	February 20 (Spanish)	Philadelphia, PA	June 13
San Diego, CA	February 21	Nashville, TN	September 5
Long Beach, CA	February 23	Boston, MA	October 12
Miami, FL	March 15 (Spanish)	Norfolk, VA	November 7
Miami, FL	March 16	San Juan, PR	December 5 (Spanish)
Detroit, MI	March 22	Laredo, TX	December 7 (Spanish)
Milwaukee, WI	April 18	Wood Ridge, NJ	December 6
Baltimore, MD	May 10		



For more information, including registration information, please visit our schedule online at [www.census.gov/foreign-trade/aes/meetingsandpresentations/index.html](http://www.census.gov/foreign-trade/aes/meetingsandpresentations/index.html).

# Census Adds Detailed Monthly Trade Statistics to Its Application Programming Interface (API)

By Jeffrey McHugh, Supervisory Survey Statistician, and Rachel Butler, Survey Statistician, U.S. Census Bureau

The Census Bureau recently added detailed monthly international trade data to its API. Providing researchers and developers free access to its demographic and economic data enables them to create exciting new custom apps and tools; this API represents the U.S. Census Bureau's commitment to improving data accessibility to users.

Upon the release of the December 2016 International Trade in Goods and Services Report on February 7, 2017, the Census API will have a full year of monthly international trade data. Our goal is to make 2013 through 2015 international trade statistics available in the API after the release of annual revisions in June 2017.

The newly added international trade statistics provide monthly and cumulative year-to-date export and import totals with multiple layers of detail. This is a significant expansion to what was previously available. The monthly trade statistics include 58 export and 107 import parameters (see table), offering users a highly detailed look at U.S. international trade. The Census API's monthly international trade statistics give researchers and developers access to a wealth of trade data they can use to build new and exciting applications for the international trade community. It also gives users the flexibility to use the data in multiple ways.

One way the Census Bureau plans to use the data is to build a mobile application that sources the detailed monthly trade statistics from the API. Based on user input, the application will show tables and visualizations that will help current and prospective exporters identify promising export markets. It will also help domestic businesses better understand the sources and prices of foreign goods imported from companies overseas. The Census API will make this powerful research tool possible by providing export and import value and quantity totals by multiple geographies.

The following table shows a snapshot of what international trade data are available in the Census API:

Levels of detail	Parameters
Commodity classification systems	<ul style="list-style-type: none"> <li>▪ Harmonized System (HS)</li> <li>▪ North America Industry Classification (NAICS)</li> <li>▪ Principal End-Use Category and Commodity</li> <li>▪ Standard International Trade Classification (SITC)</li> <li>▪ Advanced technology</li> </ul>
Trade by:	<ul style="list-style-type: none"> <li>▪ Vessel</li> <li>▪ Air</li> </ul>
Geography	<ul style="list-style-type: none"> <li>▪ State</li> <li>▪ District</li> <li>▪ Port</li> </ul>
Trade partner	<ul style="list-style-type: none"> <li>▪ Individual county</li> <li>▪ Geographic region</li> <li>▪ Trade agreement</li> </ul>

For more information on how to access International Trade data through the Census API and variable definitions, visit the Guide to International Trade Datasets on the Census Developers page at [www.census.gov/data/developers/data-sets/international-trade.html](http://www.census.gov/data/developers/data-sets/international-trade.html).

# The United States-Canada Data Exchange— Successfully Sharing International Trade Data Since 1990

*By Kristen Nespoli, Assistant Division Chief, Data Collection and Analytics, U.S. Census Bureau*



Back in July 1987, the United States and Canada, our largest trading partner, decided to try something unique by agreeing to exchange import statistics to use in lieu of each country's respective export statistics. In other words, Canada would use U.S. imports from Canada as their export data, and the U.S. Census Bureau would use Canadian imports from the United States as our export data. While the statistical agencies were the agents of the exchange, each country's Customs agency (i.e., the U.S. Customs and Border Protection and the Canadian Border Services Agency) also had to be on board since they were the actual administrators of the trade data. Because of the complexity and magnitude of the objective, the Data Exchange was not implemented until 3 years later with the release of January 1990 statistics.

The Data Exchange has been an overwhelming success. In 2015, Canada provided the United States 11.7 million records, and in turn the United States provided Canada just under 12 million. The volume of data is evidence that it accomplished the major objective of significantly reducing nonreporting of exports on each side of the border. Before

the Data Exchange, export statistics were derived mostly from paper documents, and there were ongoing reporting and collection problems. It was estimated the understatement of U.S. exports to Canada had reached over 20 percent. These errors affected the published trade balances and consequently the data users who relied on accurate statistics, including those negotiating the United States-Canada Free Trade Agreement.

The Data Exchange also reduced the burden for each country's export filers. For 2015, U.S. exports to Canada totaled \$280.6 billion and Canadian exports to the United States totaled \$524.7 billion. It is estimated that in 2015, U.S. exporters saved 584,916 hours of work worth \$11.3 million as a result of the data exchange.<sup>1</sup>

Together, the Census Bureau and Statistics Canada found a way to maximize the utility of administrative data through the creation of an enduring partnership that has continued for over 25 years.

<sup>1</sup> Source: U.S. Department of Labor's Occupational Employment Statistics.

# The Single Trade Application and Reporting System (STARS)

*By Gerry Horner, Director, Office of Technology Evaluation, Bureau of Industry and Security*

In March 2016, an Interagency Working Group was formed to begin working on the requirements for the STARS. In the future, STARS will replace the DTRADE, SNAP-R, and OASIS systems of the U.S. Department of State, Directorate of Defense Trade Controls; the U.S. Department of Commerce, Bureau of Industry and Security; and the U.S. Department of Treasury, Office of Foreign Assets Control, respectively.

The internal working group deployed the first deliverable of this initiative in June 2016 by standing up on the Internet a single landing page designed for new exporters to obtain information on determining license requirements and acquiring license authorizations from the Departments of Commerce, State, and the Treasury. The landing page can be found on [www.export.gov/ecr](http://www.export.gov/ecr). Under the left side bar (for exporters), the user will click on the STARS link. Most exporters experienced in determining whether a license is required and applying for license authority would go directly to the Web sites of the agencies to acquire this information. However, new exporters with little knowledge on what information is available from the licensing agencies can now use the single landing page.

The next step of the process is underway. The internal working group has formed a data elements subgroup responsible for identifying the data elements within STARS. This process began in June and is still underway. Once the list of the data elements is complete, the STARS interagency working group will begin providing information on the data elements before having discussions on system requirements and design. The interagency working group will be forming external working groups to brainstorm ideas. One external working group will be comprised of industry representatives with demonstrated experience in the current license applications. The diverse group will include representatives from small, medium, and large companies. Another group will be formed that will include service providers, software vendors, and information technology specialists.

Interested parties should continue to access [www.export.gov/ecr](http://www.export.gov/ecr) for information as it becomes available.



## Going Digital: Electronic Export Manifests

*By Robert Rawls, Branch Chief, Outbound Enforcement and Policy, U.S. Customs and Border Protection*

Congress mandated the use of electronic export manifest by U.S. Customs and Border Protection (CBP) in all modes of transportation in the Trade Act of 2002. In 2015, CBP announced three pilot efforts for submitting electronic export manifest in each mode of transportation: air, ocean, and rail. CBP received a number of volunteer participants in each pilot effort.

CBP held a series of meetings with the Commercial Customs Operations Advisory Committee and various carrier trade associations to identify the issues associated with the submission of the electronic export manifest in each mode of transportation. These meetings were useful to reach a common understanding of how the pilots for air, ocean, rail, and vessel manifests would operate.

The rail pilot began at Port Huron, MI, with Canadian National Railroad (CN). CN began submitting electronic bills of lading for their trains in August 2016. CN has approximately 10 to 12 trains per day that depart the United States at Port Huron. CBP and CN continue to work together to identify issues with the flow of the electronic messaging between CBP and CN, as well as addressing potential operational issues. While CBP and CN are working through these issues, the port relies on existing policy and procedures for conducting day-to-day outbound rail processing and enforcement operations.

Following the success of CN's pilot, Union Pacific Railroad began submitting electronic bills of lading for their trains in September 2016 at El Paso, TX. Additionally, Kansas City Southern Railroad recently began the certification process in order to submit the electronic bills of lading.

Maersk Container Lines was the first vessel carrier to begin submitting vessel electronic export manifest data at the Port of Newark, NJ, for one of their routes to Europe. Maersk Container Lines then expanded their submissions by including another route to Europe. At the Port of Long Beach, CA, Orient Overseas Container Lines became the



second carrier to begin sending vessel electronic export manifests. Additionally, CBP is receiving electronic data from a number of bulk carriers at the Port of Houston, TX. CBP is working with these carriers to address the issues associated with the exchange of electronic data and messaging. Operational issues will be addressed when CBP and the carriers are closer to ensuring that the electronic issues surrounding the exchange of data have been resolved.

In the air electronic export manifest pilot, a number of carriers, freight forwarders, and service providers have volunteered to participate and recently began the certification process. Aerolineas Argentinas filed the first air electronic export manifest in production in October 2016.

On the horizon, CBP is looking to identify data elements for an electronic truck export manifest pilot effort. To advance this goal, CBP has established a working group of truck carriers, exporters, and freight forwarders.

# Smart Cities Growth Holds Opportunity for U.S. Exporters

By Curt Cultice, Senior Communications Specialist, U.S. Commercial Service

In September 2015, the U.S. government announced a new “Smart Cities” Initiative with over \$160 million in federal research investments, and an additional \$80 million announced in 2016. These investments will leverage more than 25 new technology collaborations to help local communities tackle key challenges, such as reducing traffic congestion, fighting crime, fostering economic growth, managing the effects of a changing climate, and improving the delivery of city services. A key element of the strategy is helping U.S. businesses pursue international collaboration and opportunities in overseas markets.

Vinay Vijay Singh, Deputy Assistant Secretary, U.S. Commercial Service, has created a Global Smart City task force to lead and coordinate these initiatives across the U.S. Commercial Service network of 108 domestic offices, and U.S. embassies and consulates, in more than 75 countries. The team will work with its fellow U.S. Department of Commerce bureaus, other U.S. government agencies, academia, think tanks, and most importantly the private sector; all with the goal of increasing U.S. exports and investment into the United States. In the Question and Answer below, he discusses these urbanization opportunities.

**Q: How would you best describe smart cities and the “Internet of Things” to those who might be unfamiliar?**

**Singh:** The Internet of Things envisions a world where everyday objects are connected to each other and are able to send and receive data across a common network. This would allow multiple devices to work in tandem to deliver solutions and services seamlessly. To see this vision become a reality would require every single Internet of Things device and object, be it phone or traffic light, to be synced to each other, regardless of the manufacturer in question.

This brings up the challenge of ensuring that new devices and technologies are interoperable and adhere to a common set of standards. The Internet of Things is the foundation for smart cities, which uses digital technology to enhance the performance of infrastructure and improve public services. However, this was Smart Cities 1.0, mostly the technology. Over the last few years, the concept has evolved to become more about the citizens. Smart cities are about improving quality of life and leveraging technology for information while engaging citizens in the process to ensure inclusivity.

**Q: What are some major global trends that are driving demand now and into the future for U.S. exporters?**

**Singh:** People are moving to cities as a path to prosperity, jobs, and improved quality of life. Cities are the economic growth drivers for their countries, and 55 percent of the world’s population live in urban areas and contribute more than 70 percent of global Gross Domestic Product. By 2050, the population of the world’s cities is estimated to increase by 2.8 billion people to nearly 7 billion people, with urban density then exceeding a record of 70 percent of the world’s population. This unprecedented growth in cities will create the huge need for expanded infrastructure, public services, skills training, and more. The basic trend in emerging urban markets is to deliver what I call the Maslow’s hierarchy of infrastructure: energy, water, connectivity, and mobility. Countries need basic infrastructure but now have the opportunity to leapfrog and invest in smart infrastructure, embedding technology wherever possible.

**Q: What are some examples of trends in smart cities industry sectors?**

**Singh:** The opportunities are numerous and include telecommunications infrastructure, intelligent traffic management for economic development, emerging waste-to-energy opportunities, smart governance, and smart buildings and energy efficient retrofits. In 2015, 115 million smart city devices (sensors, etc.) were exported; by 2025, this is expected to increase to 1.2 billion.

**Q: What are some leading smart cities export markets for U.S. firms?**

**Singh:** Products and services associated with global smart cities markets present significant export opportunities for U.S. businesses. The Department of Commerce’s *Smart Cities, Regions, and Communities: Export Opportunities* guide provides details on smart cities trends and projects for 48 markets, including Argentina, Brazil, European Union, South Africa, Turkey, Germany, India, United Arab Emirates, and Indonesia, among others. Cities in each of these markets are tackling urban challenges with unique solutions in order to spur economic growth for the benefit of its citizenry and the success of the city.

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Below are a few examples:

**Indonesia**—In 2015, the city of Bandung, Indonesia, installed approximately 5,000 free Wi-Fi hotspots across the city, and plans to install up to 40,000 hotspots to provide more citizens with access to free connectivity. Bandung is the first city to have a Smart City Council, consisting of 30 experts tasked with making a blueprint for Bandung over the next 5 years. Bandung is planning to introduce a smart card, which will allow users to ride public transport, pay for gas, and complete transactions in a push to become a cashless society.

**India**—According to the government of India, the country will need to invest between \$1.2 and \$2 trillion on infrastructure development over the next several decades. In June 2015, Prime Minister Modi launched the Smart Cities Challenge in order to address India's growing need for urban infrastructure. Under this initiative, the Ministry of Urban Development has selected 100 cities that will each receive a total of \$75 million over a period of 5 years to implement smart city development plans. As of now, 60 of the 100 cities have completed their smart city plans, which provide opportunities in a wide range of sectors, including water and power supply, sanitation, public transport, affordable housing, IT connectivity, e-governance, safety and security, health, education, and the environment.

**Canada**—The country has several ongoing projects. In May 2015, the city of Montreal, Canada, announced the Montreal Action Plan that includes 70 projects that will turn Montreal into a "smart city." The total allocated budget of \$23 million is broken down into six sections and is targeted for completion by the end of 2017. Apart from ensuring a fast fiber network, "unleashing municipal data," and the rollout of "intelligent transport systems" that will provide real-time information on subway/bus/car service, the city plans to deploy free Wi-Fi.

**Vietnam**—Ho Chi Minh City sent a delegation to the United States in early November to learn from the city of Chicago about their ongoing smart projects. The city is planning to rollout a design and request for bids in the near term as they tackle severe congestion problems.

I encourage you to talk to [our trade specialists](#) to find out where the best markets may be for your services. The trends in smart cities are becoming more long term and very collaborative, so working within the global supply chain of your sectors is critical.

### **Q: Do U.S. firms/exporters have any inherent advantages over the foreign competition?**

**Singh:** Made in USA products and services have an excellent worldwide reputation for technical innovation and reliability, which gives U.S. firms a competitive advantage. In addition, U.S. companies are renowned for after-the-sale service and training which is critical to smart cities' infrastructure. From technology and data providers to infrastructure service companies, to project planning firms, smart urban planning is a key strength of U.S. industries. The U.S. companies in this space have also been building smart ecosystems, enabling small- and medium-sized companies to showcase their innovation and partnering with larger companies.

### **Q: What are some of the biggest challenges for U.S. exporters in this sector?**

**Singh:** Key challenges for U.S. companies working in the smart cities sector include financing, weak access to information about upcoming project opportunities, burdensome clearance and permitting processes for large-scale infrastructure projects, and a reliance on least-cost procurement methods that can disadvantage capital-intensive smart city solutions and novel technologies. Another impediment to success is the silos that inherently exist in city and state governments. Developing mechanisms to work together across departments, such as water, power, security, etc., will speed up progress in deployment of solutions.

### **Q: In what ways is the U.S. government helping address these challenges?**

**Singh:** The Department of Commerce and other U.S. government agencies are working to address these issues in markets that offer promising opportunities for U.S. companies. For example, the U.S. Trade and Development Agency's Global Procurement Initiative is providing training for public officials in foreign markets to encourage a better understanding of the total costs of ownership of infrastructure projects. In addition, companies can leverage financing opportunities through the U.S. Export-Import Bank, the World Bank, Asian Development Bank, and other entities that are active in this sector. It is important to remember that these projects require new solutions for the biggest problems, often in open platforms. Living outside of the United States is 95 percent of the global population, so U.S. company solutions cannot just replicate the solutions employed in this country.

## Getting Started: Key Resources for U.S. Companies

- *Smart Cities, Regions, and Communities: Export Opportunities* is a guide designed to assist U.S. companies in competing for and winning business opportunities in the emerging Smart Cities space.
  - The *guide* provides information regarding access to capital, trade promotion activities, industry sectors, and Internet of Things, along with a global calendar of events.
  - It also showcases select U.S. government initiatives to assist U.S. companies in playing a greater collaborative role in helping global cities address urbanization challenges.
  - It further profiles the Smart Cities initiatives of the U.S. Department of Commerce's seven bureaus of Commerce, multilateral banks, more than 40 countries, and information on smart cities goods, services, and technologies offered by the U.S. private sector, including AECOM, AT&T, CITI, Global Futures Group, Innovari, Microsoft, and 360 Water.
- **The Smart Cities task force** will also be reaching out to companies and cities for inputs in how we can better channel federal resources in this space. Our team will also be partnering with [www.smartcitiesnyc.com](http://www.smartcitiesnyc.com) in May 2017 to highlight global opportunities.
- **The U.S. Commercial Service's** global network of 108 U.S. offices across the United States and in U.S. embassies and consulates in more than 75 countries can offer information on specific project opportunities. The U.S. Department of Commerce also houses country and industry specialists at its headquarters in Washington, D.C. For more information, visit [www.export.gov](http://www.export.gov), or e-mail [smartcities@trade.gov](mailto:smartcities@trade.gov) with any specific questions or comments.

## Getting to Global Through e-Commerce

**Q&A With the U.S. Commercial Service's Joshua Halpern,  
Director of the e-Commerce Innovation Lab**

*By Curt Cultice, Senior Communications Specialist, U.S. Commercial Service*

**Q: Can you give readers a snapshot of the e-Commerce Innovation Lab, what was the purpose for its founding?**

**Halpern:** The U.S. Commercial Service (CS) set the e-Commerce Innovation Lab (EIL) in motion to exponentially increase the number of U.S. companies exporting through e-commerce channels. The EIL is part of the CS's domestic field of more than 100 offices across the United States. The EIL consists of three major strategic pillars: (1) create industry-leading self-service online resources to empower U.S. small- and medium-sized businesses to sell more online to global markets; (2) train selected U.S. CS staff to become Global e-Commerce Specialists in order to promote e-commerce strategies; and (3) build private-sector partnerships to help small- and medium-sized merchants gain access to industry data, resources, and expertise.

**Q: How are CS services and client outreach being enhanced through e-commerce training of U.S. Commercial Service staff?**

**Halpern:** We continue to enhance our national team's skillset to counsel clients effectively on the nuances of selling via e-commerce channels. Our research across our client base has isolated nine areas that are critical when developing a successful e-commerce export strategy. Our staff should be able to advise or provide resources to help clients (1) identify market opportunities, (2) build their digital brand, (3) choose the right channel mix, (4) optimize their users' experience, (5) price their product, (6) protect their brand, (7) ship their product, (8) get paid, and (9) manage after-sales services. We have developed our online "e-Commerce Export Resource Center" at [www.export.gov/ecommerce](http://www.export.gov/ecommerce) to mirror these nine categories.

We have also launched a new CS service called the "Virtual Product Pitch" to match U.S. companies already selling online in the United States to our network of overseas distributors and e-commerce platforms. Basically, operating within the new e-commerce paradigm, companies should be able to articulate the positive attributes of their product via sharing the URL and a quick overview without having to fly overseas or send samples in advance. Sure, if you have the budget and time, nothing beats a face-to-face meeting, but for companies already selling online in the United States, it should not be a necessary step to get

the ball rolling. You can also learn more about this service on our site [www.export.gov/ecommerce](http://www.export.gov/ecommerce).

**Q: What are some major trends driving e-commerce export growth?**

**Halpern:** Key drivers of e-commerce exports to overseas markets include the growth of the digital economy, which includes significantly reduced friction across the global digital ecosystem, a growing technically savvy middle class with increased spending power in numerous countries abroad, and the U.S. reputation as a trendsetter for quality products and services.

**Q: What types of products and services are most marketable through e-commerce, and through which channels?**

**Halpern:** Major products include consumer goods such as cosmetics, pet products, home goods, fashion-forward apparel and accessories, unique action sporting goods, healthcare and food supplements, and new tech entertainment products. In certain markets, consumers do not trust their domestic logistics channel for safety and authenticity of the products their families regularly wear or consume. Therefore, if they have to wait or pay more to guarantee the products have undergone more stringent quality-control measures and come straight from the manufacturer, they will.



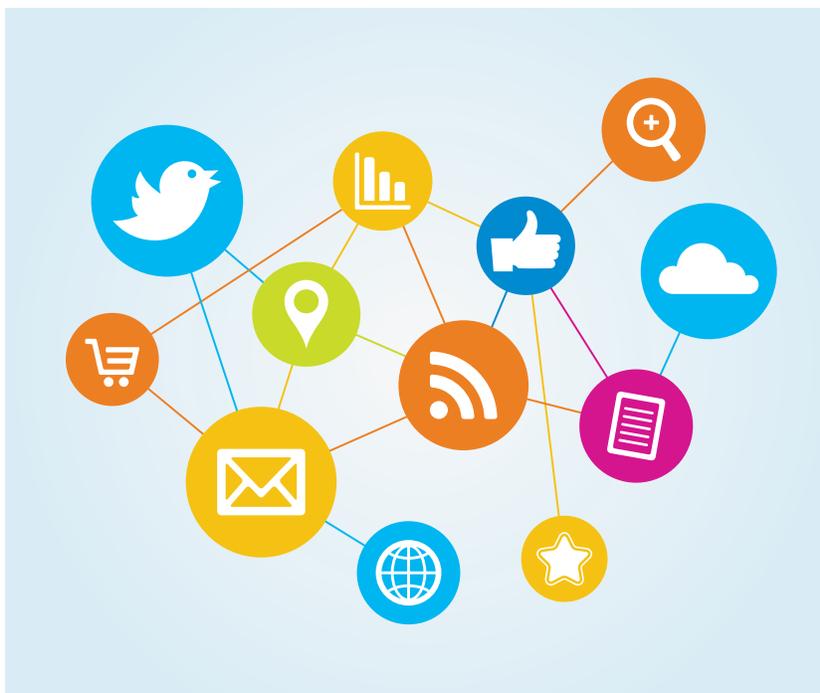
# Using Digital to Reach More Small Business Exporters

By James Burrows, Senior Vice President, Export-Import Bank of the United States

In today's economy, access to global markets is essential for small- and medium-size enterprises. Businesses are increasingly spreading their risks across regions and unlocking flexibility to capture demand as economic conditions shift. The Export-Import Bank of the United States (EXIM) equips American exporters with the protection and liquidity to enter new markets and diversify their portfolio of customers. When U.S. companies, or their customers, are unable to access export financing from the private sector, EXIM fills the gap by furnishing American businesses with the tools necessary to compete for global sales.

At EXIM, we recognize small businesses form the bedrock of the American economy. In fact, according to the Small Business Administration, small businesses create two out of three net, new private-sector jobs in the United States and employ half of the domestic workforce. Therefore, small businesses are critical to what EXIM does. As the information journey for businesspeople has evolved, so has EXIM's outreach. Over the past 3 years, we've forged a significant digital presence to educate small American businesses and connect exporters and exporters-to-be with on-the-ground support and expertise.

We do this by offering digestible digital content covering the fundamentals of trade finance and EXIM support. This content primarily assumes the form of e-books, "How It Works" videos, checklists, and so on. We host Webinars for industry- and geo-specific audiences. We are active on social media, where we have increased our follower base by 116 percent over the past 2 years. By reaching a broader audience and making trade finance more accessible, interactive, and understandable, we can better support the



international growth of American small businesses and connect them with the appropriate solution, whether from EXIM or the private sector.

Throughout our digital interactions with American exporters, we've also made available clearer paths to consultations with EXIM experts. Accessing government support should be easy. We're striving to be as available, responsive, and helpful as possible to the small business community. Our local EXIM specialists

promptly respond to online requests for export consultations. More than 100 of our new small business customers in 2016 first connected with our team digitally.

We've ramped up digital outreach to multiplier networks, such as economic development organizations, partner agencies, chambers of commerce, lenders and brokers, all of which are often critical steps in an exporter's path to support. The better we serve the community that interacts with our end user, the more we can grow American exports. To that end, we've created a "Digital Toolkit" (<http://grow.EXIM.gov/digital-toolkit>) to equip these entities with illustrative trade finance content.

Even in the digital age, small businesses need on-the-ground, face-to-face support available in their backyard. Our 12 regional offices, strategically located throughout the country, are dedicated to providing that support and education exclusively to small businesses at no cost. That is why we at EXIM are working every day, on the ground and online, to start conversations with small businesses about boosting that job growth and prosperity. To obtain a free trade finance consultation, register at <http://grow.exim.gov/contact-a-trade-finance-specialist>.

# Commerce Digital Attachés Available to Assist Businesses in Navigating Twenty-First-Century Trade Barriers

By Curt Cultice, Senior Communications Specialist, U.S. Commercial Service

For companies facing digital economy trade barriers overseas, the U.S. Department of Commerce is here to help with the launch of its new Digital Attaché Program of U.S. Commercial Service officers around the world. These attachés serve as dedicated resources for U.S. businesses as they seek to increase exports through global e-commerce channels, and navigate digital economy-related challenges in foreign markets. Winter Casey, Senior Advisor for Internet Policy at the National Telecommunications and Information Administration and a key member of the Commerce Department's first digital economy team across bureaus, provides more information about how our Digital Trade Officers (DTOs) are helping U.S. companies succeed globally.

## **Q: What is the Digital Attaché Program?**

**Casey:** The Department of Commerce is focused on ensuring that all U.S. companies have access to the digital economy and can reach global markets. To further this goal, the Commerce Department, through the Commercial Service of the International Trade Administration, this year launched an expert network of DTOs in U.S. embassies in key markets to help U.S. firms increase international market access, and overcome regulatory or policy challenges related to the digital economy.

## **Q: What is different about the Digital Attaché Program?**

**Casey:** The Commercial Service is the trade promotion arm of the Department of Commerce's International Trade Administration. Commercial Service trade professionals in over 100 U.S. cities and in more than 75 countries help U.S. companies get started in exporting or increasing sales to new global markets. Many of our DTOs were assisting companies with digital economy barriers prior to being officially named as DTOs. This program puts a name on one way the Commercial Service has and will continue to help

U.S. businesses. Commercial Service officers that are part of the program have received additional training from headquarters on digital economy-related issues.

## **Q: What types of issues have these DTOs been trained in?**

**Casey:** Our DTOs have received training on twenty-first century barriers to trade including barriers to cross-border information flows and forced data localization policies that harm U.S. businesses. Our attachés have additionally received training on issues such as e-commerce related obligations in trade agreements, how to help small and medium-sized U.S. businesses export globally, the EU-U.S. Privacy Shield and APEC Cross Border Privacy Rules (CBPR) system, privacy, cybersecurity, intellectual property, and more.

## **Q: Who is using our DTOs and who should be using them?**

**Casey:** The DTOs are a resource for U.S. companies of all sizes looking to increase exports, access the global online marketplace, and navigate digital economy policy challenges.

## **Q: What are some of the twenty-first century trade barriers U.S. companies face?**

**Casey:** The digital economy offers great opportunity, but challenges too. Governments around the world are increasingly pursuing protectionist policies that could restrict the free flow of information on the Internet. These rules, such as data localization requirements, present significant risks to the competitiveness of U.S. firms globally. For many digital economy and Internet companies, dealing with these potential regulatory and trade barriers, and advice on how best to enter new markets, is the kind of export assistance they really need.

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**Q: The pilot program wrapped up in September; what's next for this initiative?**

**Casey:** The original markets covered since March 2016 include Brazil, Japan, China, Singapore, India, and the EU. Based on industry feedback and our own evaluation of the program, the pilot program has been a success. In December 2016, the Department of Commerce said it will double the number of global markets serviced by the Digital Attaché Program from 6 to 12 officers. The new markets covered include France, Germany, South Africa, Mexico, Indonesia, and the Republic of Korea. The location and placement of those additional attachés was decided with input from stakeholders.

**Q: You have said this program is part of an increase focused on digital economy issues at the Department of Commerce—can you explain?**

**Casey:** This initiative is part of the department's comprehensive effort to address twenty-first century trade barriers and support the digital economy's continued growth. This has included the first Director of Digital Economy position, and the first Department of Commerce-wide Digital Economy Agenda. As part of this commitment, the department convened a Digital Economy Leadership Team, with staff-level working groups across the department to address issues such as the free flow of information. The Digital Attaché Program is an element of the department's broader strategic agenda to promote the digital economy.



# Protecting Your Intellectual Property Assets

## **Information from the International Trade Administration's (ITA) Office of Intellectual Property Rights**

*By Stevan Mitchell, Director, Office of Intellectual Property Rights, and Raquel Cohen, Senior International Trade Specialist, International Trade Administration, U.S. Department of Commerce*

In our increasingly knowledge-based economy, intellectual property (IP) plays a vital role in promoting innovation, creativity, and improving competitiveness. This is particularly the case for the U.S. export economy, where 52 percent of total U.S. merchandise exports came from IP-intensive industries in 2014 (\$842 billion), and where IP services exports contributed \$90 billion to the U.S. services surplus.<sup>1</sup>

The ITA's Office of Intellectual Property Rights (OIPR), within the U.S. Department of Commerce, works to improve IP laws and enforcement with our trading partners and to reduce export impediments facing U.S. companies. The office develops materials, as well as with other U.S. government agencies, to raise awareness of the importance of protecting IP assets and to assist innovators and creators in developing effective protection strategies.

Most importantly, U.S. businesses should know that protecting your IP domestically does not extend your protection internationally, so companies should do their research first before exporting. Together, with our interagency colleagues, we addressed some common questions about IP protection and the materials and programs made available by OIPR, including through the interagency [STOPfakes.gov](http://STOPfakes.gov) program:

**Q: Can you point to specific resources the U.S. government has developed for U.S. companies interested in entering foreign markets or doing business abroad?**

**A:** It is important for companies at the outset to consider the full range of IP assets they have that are worth protecting, as well as differences in how those assets can be protected under the law for different type of International Property Rights (IPR). Our online intellectual property training module ([www.stopfakes.gov/Online-Intellectual-Property-Training-Module](http://www.stopfakes.gov/Online-Intellectual-Property-Training-Module)) provides relevant baseline information, geared to issues and challenges often encountered by small business exporters.

It is also important to consider the respective strengths and weaknesses of the IPR laws and enforcement mechanisms available in the places where products are made, shipped, sold, and used. Over the years, we have worked with other agencies and outside experts to develop a suite of country-specific IP toolkits ([www.stopfakes.gov/Country-IPR-Toolkits](http://www.stopfakes.gov/Country-IPR-Toolkits)), which contain practical information on protecting and enforcing IPR in specific markets.

We are also developing a series of industry-specific toolkits. These will identify, in a condensed format, priority IP issues for particular industry segments and offer actionable insight into how exporting businesses can protect their IP assets.

**Q: What U.S. resources are available abroad? How can we access these resources?**

**A:** This office is pleased to help creators gather relevant information, as well as make contact with helpful resources. The country toolkits contain contact information for local government offices abroad and U.S. government officials available to assist you.

Depending on the nature of the challenge, often the most knowledgeable local resources are the Department of Commerce's IPR attachés. IPR attachés are expert counsel stationed at U.S. embassies, consulates, and missions throughout the world. Attachés help U.S. stakeholders entering foreign markets or conducting business abroad by assisting companies through navigate laws, regulations, and foreign courts. Attachés also assist U.S. companies in protecting and enforcing their IP abroad.

For additional information on the IP Attaché program, please visit [www.uspto.gov/learning-and-resources/ip-policy/intellectual-property-rights-ipr-attach-program/intellectual](http://www.uspto.gov/learning-and-resources/ip-policy/intellectual-property-rights-ipr-attach-program/intellectual).

<sup>1</sup> Economic Statistics Agency/U.S. Patent and Trademark Office, Intellectual Property and the U.S. Economy, 2016 Update (September 2016), [www.uspto.gov/sites/default/files/documents/IPandtheUSEconomy-Sept2016.pdf](http://www.uspto.gov/sites/default/files/documents/IPandtheUSEconomy-Sept2016.pdf)

